

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA
V.

QUALITY EGG, LLC

JUDGMENT IN A CRIMINAL CASE
(For Organizational Defendants)

CASE NUMBER: CR 14-3024-1-MWB

Frank R. Volpe, Mark D. Hopson, and Thomas C. Green
Defendant Organization's Attorney

THE DEFENDANT ORGANIZATION:

- ☒ pleaded guilty to count(s) 1, 2 and 3 of the Information filed on May 21, 2014
- ☐ pleaded nolo contendere to count(s) _____
which was accepted by the court.
- ☐ was found guilty on count(s) _____
after a plea of not guilty.

The organizational defendant is adjudicated guilty of these offenses:

Title & Section	Nature of Offense	Offense Ended	Count
18 U.S.C. § 201(b)(1)	Bribery of a Public Official	04/12/2010	1
21 U.S.C. §§ 331(a) and 333(a)(2)	Selling Misbranded Food With Intent to Defraud or Mislead	08/12/2010	2
21 U.S.C. §§ 331(a) and 333(a)(1)	Selling Adulterated Food	August 2010	3

The defendant organization is sentenced as provided in pages 2 through 5 of this judgment.

- ☐ The defendant organization has been found not guilty on count(s) _____
- ☐ Count(s) _____ ☐ is ☐ are dismissed on the motion of the United States.

It is ordered that the defendant organization must notify the United States attorney for this district within 30 days of any change of name, principal business address, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant organization must notify the court and United States attorney of material changes in economic circumstances.

Defendant Organization's
Federal Employer I.D. No.: 26-2980600

Defendant Organization's Principal Business Address:
202 North Main Street
Clarion, IA 50525

Defendant Organization's Mailing Address:
202 North Main Street
Clarion, IA 50525

April 13, 2015
Date of Imposition of Judgment

Mark W. Bennett
Signature of Judge

Mark W. Bennett, U.S. District Court Judge
Name and Title of Judge

4.15.15
Date

DEFENDANT ORGANIZATION: **QUALITY EGG, LLC**
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PROBATION

The defendant organization is hereby sentenced to probation for a term of : **3 years. This term of probation consists of a 3-year term imposed on each of Counts 1, 2 and 3 of the Information to, be served concurrently.**

The defendant organization shall not commit another federal, state or local crime.

If this judgment imposes a fine or a restitution obligation, it is a condition of probation that the defendant organization pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant organization must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page (if indicated below).

STANDARD CONDITIONS OF SUPERVISION

- 1) within thirty days from the date of this judgment, the defendant organization shall designate an official of the organization to act as the organizations's representative and to be the primary contact with the probation officer;
- 2) the defendant organization shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 3) the defendant organization shall notify the probation officer ten days prior to any change in principal business or mailing address;
- 4) the defendant organization shall permit a probation officer to visit the organization at any of its operating business sites;
- 5) the defendant organization shall notify the probation officer within seventy-two hours of any criminal prosecution, major civil litigation, or administrative proceeding against the organization;
- 6) the defendant organization shall not dissolve, change its name, or change the name under which it does business unless this judgment and all criminal monetary penalties imposed by this court are either fully satisfied or are equally enforceable against the defendant's successors or assignees; and
- 7) the defendant organization shall not waste, nor without permission of the probation officer, sell, assign, or transfer its assets.

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SPECIAL CONDITIONS OF SUPERVISION

- 1) The defendant organization must pay any financial penalty that is imposed by this judgment.
- 2) For as long as the defendant organization owes any fines or restitution ordered as part of the instant offenses, the defendant organization must provide the United States Probation Office with access to any requested financial information.
- 3) For as long as the defendant organization owes any fines or restitution ordered as part of the instant offenses, the defendant organization must not incur new credit charges or open additional lines of credit without the approval of the United States Probation Office unless the defendant organization is in compliance with the installment payment schedule.
- 4) For as long as the defendant organization owes any fines or restitution ordered as part of the instant offenses, the defendant organization shall make periodic submissions to the United States Probation Office, on at least an annual basis, reporting the defendant organization's financial condition and the result of business operations, including an accounting of the disposition of all funds received.
- 5) The defendant organization shall notify the United States Probation Office immediately upon learning of any material adverse change in its business or financial condition or prospects, or the commencement of any bankruptcy proceeding, major civil litigation, criminal prosecution, or administrative proceeding against the defendant organization, or any investigation or formal inquiry by governmental authorities regarding the defendant organization.
- 6) The defendant organization will be subject to regular or unannounced examinations of its books, records, and business premises by the United States Probation Office or experts engaged by the Court; and interrogation of knowledgeable individuals within the organization. The defendant organization is responsible for the payment and costs of any such experts.

Upon a finding of a violation of supervision, I understand the Court may: (1) revoke supervision; (2) extend the term of supervision; and/or (3) modify the condition of supervision.

These conditions have been read to me. I fully understand the conditions and have been provided a copy of them.

Defendant

Date

U.S. Probation Officer/Designated Witness

Date

DEFENDANT ORGANIZATION: **QUALITY EGG, LLC**
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CRIMINAL MONETARY PENALTIES

The defendant organization must pay the following total criminal monetary penalties under the schedule of payments on Sheet 4.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
TOTAL	\$ 925 (paid)	\$ 6,790,000 (paid)	\$ 83,008.19

☐ The determination of restitution is deferred until _____. An *Amended Judgment in a Criminal Case* (AO 245C) will be entered after such determination.

☒ The defendant organization shall make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant organization makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Loss*</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
Restitution is ordered to be paid pursuant to the Government's Exhibit filed on April 13, 2015, Document No. 114.		\$83,008.19	

TOTALS \$ _____ \$ 83,008.19

☐ Restitution amount ordered pursuant to plea agreement \$ _____

☒ The defendant organization shall pay interest on restitution or a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 4 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

☐ The court determined that the defendant organization does not have the ability to pay interest, and it is ordered that:

☐ the interest requirement is waived for the ☐ fine ☐ restitution.

☐ the interest requirement for the ☐ fine ☐ restitution is modified as follows:

* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

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SCHEDULE OF PAYMENTS

Having assessed the organization's ability to pay, payment of the total criminal monetary penalties are due as follows:

A ☒ Lump sum payment of \$ 6,873,933.19 due immediately, balance due

☐ not later than _____, or
☒ in accordance with ☐ C or ☒ D below; or

B ☐ Payment to begin immediately (may be combined with ☐ C or ☐ D below); or

C ☐ Payment in _____ (e.g., equal, weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or

D ☒ Special instructions regarding the payment of criminal monetary penalties:

If not paid in full at the time of sentencing, the defendant organization must make payments towards restitution as a condition of its probation pursuant to a payment schedule established by the United States Probation Office. For as long as the defendant organization owes restitution ordered as part of the instant offenses, it must notify the United States Attorney for the Northern District of Iowa within 30 days of any change of mailing or residence address that occurs while any portion of the financial obligations remains unpaid.

The \$925 special assessment was paid on June 3, 2014, receipt #IAN550001211.

A fine payment in the amount of \$1,100,000 was made on July 8, 2014, receipt #IAN110013531.

A fine payment in the amount of \$5,690,000 was made on April 10, 2015, receipt #IAN550001402.

All criminal monetary penalties are made to the clerk of the court.

The defendant organization shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

☒ **Joint and Several**

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

The defendant organization's restitution obligation shall be joint and several with any restitution obligations imposed in *United States v. Austin DeCoster*, Case No. CR 14-3024-2-MWB, and *United States v. Peter DeCoster*, Case No. CR 14-3024-3-MWB.

☐ The defendant organization shall pay the cost of prosecution.

☐ The defendant organization shall pay the following court cost(s):

☒ The defendant organization shall forfeit the defendant organization's interest in the following property to the United States:

As set forth in the Preliminary Order of Forfeiture filed on November 18, 2014, Document No. 83.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.